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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

JEREMY STANFIELD, individually and on  
behalf of all others similarly situated,

Plaintiff,

vs.

TAWKIFY, INC.,

Defendant.

**Case No. 3:20-cv-07000-WHA**

**PLAINTIFF'S OPPOSITION TO  
DEFENDANT TAWKIFY, INC.'S  
CONVERTED MOTION FOR  
SUMMARY JUDGMENT**

Hearing Date: August 12, 2021  
Hearing Time: 8:00 a.m.  
Courtroom: 12  
Judge: Hon. William H. Alsup

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1       **I.       INTRODUCTION**

2           Defendant Tawkify, Inc.’s (“Tawkify”) converted Motion for Summary Judgment  
3 (“Motion”) fails to grapple with the material facts of its unlawful conduct or the relevant law that  
4 it should have followed. The Motion offers pages of extraneous details in a protracted ad  
5 hominem attack designed to distract from Tawkify’s liability for systematic violations of the  
6 Dating Service Contracts Act (“DSCA”), Cal. Civ. C. § 1694, *et seq.* Tawkify’s sparse legal  
7 arguments are at odds with the evidence, and the relief it seeks cannot be granted. Its Motion  
8 should be denied.

9           First, Plaintiff Jeremy Stanfield (“Plaintiff”) has Constitutional standing to sue. Plaintiff  
10 has not only alleged concrete and particularized injury in the form of Tawkify’s failure to timely  
11 reimburse his full \$3,700 for the six-date package that he cancelled, but the parties have now  
12 provided undisputed evidence of Tawkify’s conduct that proves Plaintiff’s claims. Plaintiff has  
13 unassailable Article III standing, and Tawkify’s efforts to distort the record and pay him off do  
14 not alter that fact.

15           Second, Plaintiff has satisfied the standing requirements under the Unfair Competition  
16 Law (“UCL”), Cal. Bus. & Prof. C. § 17200, *et seq.*, and the Consumer Legal Remedies Act  
17 (“CLRA”), Cal. Civ. C. § 1750, *et seq.* The evidence demonstrates that Plaintiff has suffered a  
18 loss of “money or property,” and has satisfied the standing requirements for pleading (and  
19 proving) a CLRA damages and injunctive relief class action.

20           Third, Tawkify has failed to prove that Plaintiff lacks standing to pursue public injunctive  
21 relief under the UCL and the CLRA. The likelihood of Plaintiff purchasing Tawkify services in  
22 the future is not the relevant inquiry in the Ninth Circuit to determine standing under Article III.  
23 Furthermore, even if the Court were to find that Plaintiff lacked standing under Article III, the  
24 Court may not grant the relief Tawkify seeks. This is because Plaintiff’s claims would not be  
25 dismissed with prejudice, but would be remanded to state court. *See Polo v. Innoventions Int’l,*  
26 *LLC*, 833 F.3d 1193, 1196 (9th Cir. 2016).

1 Tawkify's desperate lashing out at Plaintiff is, at best, a thinly veiled effort to distract the  
 2 Court from applying straightforward facts to an unambiguous law. The DSCA is a decades-old  
 3 consumer protection statute that regulates the contracts of dating services companies like  
 4 Tawkify. The California Legislature provided for express disclosures and express remedies in the  
 5 DSCA to encourage compliance with the law and to ensure consumers were treated fairly.  
 6 Plaintiff is a California resident. Tawkify is a California-based company that has instituted a  
 7 California choice of law provision into its Terms of Use. As a result, Plaintiff is entitled to invoke  
 8 his statutory remedies, including a right to cancel and a right to a speedy refund of all money he  
 9 paid. Despite this, and for reasons that remain unclear, Tawkify ignored the law.

10 Tawkify has tried to make this Motion a referendum on Plaintiff. But the law focuses on  
 11 Tawkify's conduct, not Plaintiff's. The evidence leaves no doubt of Tawkify's liability. Tawkify's  
 12 Motion must be denied.

## 13 II. FACTUAL BACKGROUND

### 14 A. Tawkify's Uniform Policies and Practices

15 Tawkify is a San Francisco-based online matchmaking service. Mtn. 10:9-13. Individuals  
 16 can pay an "annual fee" of "\$100 or \$99" to become "members" and "form the pool . . . from  
 17 which client matches are sourced." *See* Declaration of Elliot Conn ("Conn Dec.") Ex. B (Schultz  
 18 Dep., 49:12-20). For "clients," Tawkify charges for "packages" of guaranteed "matches" – *i.e.*, to  
 19 be set up on dates. Mtn. 10:9-20. According to the deposition testimony of Tawkify corporate  
 20 representative Thane Schultz designated pursuant to Fed. R. Civ. Proc. 30(b)(6), the value of one  
 21 date within a package "would be the value of the total cost divided by the - - by the number of  
 22 dates." Conn Dec. Ex. B (Schultz Dep., 58:17-59:16; 59:17-63:23). Thus, Tawkify prices the cost  
 23 of each "match" within a package equally. *Id.* 61:5-15.

24 According to Mr. Schultz, "[t]he client agreement is the agreement between Tawkify and  
 25 the client about the services to be rendered." *Id.* 86:1-3.

26 During the summer of 2020, the time period during which Plaintiff was a Tawkify  
 27 "client," neither the Tawkify Client Agreement, nor any other document that Tawkify provides to  
 28



1 its “clients” contained disclosures regarding, *inter alia*, (1) the right to cancel within three days of  
 2 signing; or (2) the right to elect to be relieved of the obligation to make payments due to death or  
 3 disability. Conn Dec. Ex B (Schultz Dep., 145:1-150:5; 180:18-181:4); Ex. F (July 7, 2020 Client  
 4 Agreement); Ex. G (July 13, 2020 Client Agreement); Ex. H (May to August 2020 Tawkify  
 5 Refund Policy); Ex. I (October 2019 Terms of Use); Ex. J (Tawkify Online Privacy Policy);  
 6 Declaration of Jeremy Stanfield (“Stanfield Dec.”) Ex. B (June 30, 2020 User Agreement); Ex. C  
 7 (July 13, 2020 Client Agreement). Mr. Schultz testified that these documents “describe  
 8 [Plaintiff’s] rights and remedies with respect to Tawkify.” Conn Dec. Ex B (Schultz Dep. 180:18-  
 9 181:4.)

10 Tawkify admits that it failed to make certain disclosures. Its discovery responses state in  
 11 relevant part, “Tawkify did not provide in its operative agreements with users or clients language  
 12 regarding the right to cancel the agreement(s) until midnight of the third business day after the  
 13 day on which Tawkify’s services were purchased.” Conn Dec. Ex. C (Resp. Nos. 7, 8 at p. 17-19).

14 When clients cancel, Tawkify makes a record of the “refund cancellation request” “on the  
 15 client’s profile page” in the “activity feed. . .” Conn Dec. Ex. B (Schultz Dep. 35:7-36:13).  
 16 However, rather than honor the initial cancellation request, Tawkify has a “policy to try to save  
 17 the client and find out what’s going on, see if they can get their experience back on track.” *Id.* at  
 18 172:11-19. Before processing a cancellation request, Tawkify had a requirement of a certain  
 19 “level of dissatisfaction the client was expressing about the service, and perhaps the level of  
 20 unwillingness to accept either a - - you know, a gesture of goodwill, such as a nonrefundable  
 21 bonus match and a transition to a new matchmaker. . . So if a client was unwilling to accept any  
 22 sort of remedy, then I guess you could call that requirements.” *Id.* 174:4-175:14; 175:23-176:12.

23 It was Tawkify’s policy in June through August 2020 to inform clients who cancelled  
 24 their contract that any refund would take “up to 60 days” to process. *Id.* 175:16-177:19. This was  
 25 the “realistic time frame for how long it would take to process.” *Id.* Mr. Schultz testified that he  
 26 could not identify any policies “that provided for a timeline of less than 60 days for the  
 27 processing of a refund from a client who cancelled a package . . .” *Id.*

1 Upon cancellation, Tawkify does not provide clients with a full refund. Instead, Tawkify's  
 2 policy (until August 1, 2020) was to "retain pro-rated payment for any match cycles started or  
 3 used, plus one additional. A minimum of two match cycles [we]re, therefore, retained for all  
 4 multi-match packages." Conn Dec. Ex. H (May to August 2020 Refund Policy); *see also* Dkt. 50-  
 5 1, at 4. Mr. Schultz also testified that Tawkify changed its Refund Policy as of August 1, 2020  
 6 because "Tawkify had decided to retain -- to just have a three-match retainer policy, so in all -- in  
 7 all cases, we would retain three matches." Conn Dec. Ex. B (Schultz Dep. 38:14-24).

8 **B. Tawkify Applied its Policies and Practices in its Interactions with**  
 9 **Plaintiff.**

10 Plaintiff's experience with Tawkify lasted from June to August 2020.<sup>1</sup> After viewing an  
 11 online Facebook advertisement for Tawkify's "concierge service to help you find a mate,"  
 12 Plaintiff filled out a form online and provided Tawkify with his contact information. Conn Dec.  
 13 Ex. A (Stanfield Dep., 27:21-29:10; 29:13-30:4). Following a lengthy sales call that was secretly  
 14 recorded on June 29, 2020, Plaintiff paid Tawkify \$3,700 for a six-date package. *Id.*, 69:1-19;  
 15 Stanfield Dec. Ex. A (June 29, 2020 Receipt).

16 Plaintiff quickly became dissatisfied with Tawkify's services. Beginning on July 7, 2020,  
 17 Plaintiff contacted Tawkify numerous times to request that his account be cancelled. *See* Stanfield  
 18 Dec. Ex. D (July 7, 2020 Text Exchange); Conn Dec. Ex. K (July 7, 2020 Text Exchange.) In  
 19 fact, on July 7, 2020, Plaintiff wrote to the salesperson, "My expectations are to have a in person  
 20 date or it doesn't count. So if it has to be that way, I'm afraid I'm going to have to cancel." *Id.*  
 21 Plaintiff attempted numerous other times to cancel. Stanfield Dec. Ex. E (July 13, 2020 Email  
 22 exchange); Conn Dec. Ex. L (July 13, 2020 "ticket"). In his July 13, 2020 correspondence,  
 23 Plaintiff emailed Tawkify, "I'm greatly unhappy with all facets of this service so far and maybe  
 24 we should just call it huh?" *Id.*

25 \_\_\_\_\_  
 26 <sup>1</sup> Plaintiff does not respond to the many irrelevant and inaccurate attacks and allegations leveled  
 27 against him by Tawkify, but contends that Tawkify's Motion violates this Court's civility  
 28 guidelines (*see* <https://www.cand.uscourts.gov/forms/guidelines-for-professional-conduct>), which  
 prohibit "unfairly attacking the opposing party" by, *inter alia*, introducing statements that are not  
 properly part of the record.

1 On July 14, 2020, Tawkify finally acknowledged the request. That day, Plaintiff received  
 2 an email from Lacy “from the Tawkify Customer Success Team” stating, “*I am so sorry to hear*  
 3 *that you would like to cancel your experience and I am here to support you.*” *Id.* (emphasis  
 4 added). *See* Stanfield Dec. Ex. F. (July 14, 2020 email correspondence). Plaintiff made additional  
 5 requests on July 15, 2020 (“I think I just want a full refund”); July 17, 2020 (“I’d like a full  
 6 refund processed today”); July 21, 2020 (requesting “a full refund processed today”); and July 22,  
 7 2020 (“please refund all \$3700 of my money today . . .”). Stanfield Dec. Ex. G (July 15, 2020  
 8 Email), Ex. H, (July 17, 2020 Text), Ex. I, (July 19, 2020 through August 7, 2020  
 9 Correspondence); Conn Dec. Ex. M (July 15, 2020 “ticket”); Ex. N (July 19, 2020 “ticket”).

10 Tawkify did not honor the cancellation requests, but instead, consistent with its internal  
 11 policies, attempted to pressure Plaintiff into remaining a Tawkify client. For example, the July 19,  
 12 2020 email to Plaintiff states in relevant part, “I would love the opportunity to bonus your account  
 13 back for the 2 matches you went on and start fresh with a different match maker that will take  
 14 better care with your matches.” Stanfield Dec. Ex. I, (July 19, 2020 through August 7, 2020  
 15 correspondence.); Conn Dec. Ex. N (July 19, 2020 “ticket”). Three days later, on July 22, 2020,  
 16 Tawkify emailed Plaintiff, “You do have the option to change to a different match maker and I’d  
 17 be happy to personally oversee that as well as give you a non-refundable bonus match to make up  
 18 for your bad date.” *Id.*; *see also* Stanfield Dec. Ex. F (responding to July 14, 2020 cancellation  
 19 request with “[w]e remedy a variety of challenges every day and have a multitude of tools at our  
 20 disposal”).

21 Tawkify’s failure to honor the cancellation request contributed to an escalation in the tone  
 22 of the parties’ communications. Tawkify finally relented and confirmed via email on July 22,  
 23 2020 that Plaintiff’s “refund has been submitted to Accounting. Once your refund is cleared it  
 24 takes 45-60 days for processing and will be returned to the card used for purchase.” Stanfield  
 25 Dec. Ex. I; Conn Dec. Ex. N (July 19, 2020 “ticket”). After further complaints by Plaintiff, a  
 26 Tawkify agent wrote to Plaintiff, “I’ve reached out to Accounting asking them to prioritize your  
 27  
 28

1 refund based on your experience. They let me know there's a chance they can get it out in the  
2 next three weeks or less." *Id.*

3 Ultimately, rather than provide a full refund of the \$3,700 paid, Tawkify refunded  
4 Plaintiff only \$1,850 on August 1, 2020. *Id.*; Conn Dec. Ex. D; *see also* Dkt. 50-1 at 8. Tawkify's  
5 failure to refund the full amount of Plaintiff's purchase was consistent with both its June-July  
6 Refund Policy of retaining matches used plus one and its August 2020 Refund Policy of retaining  
7 the value of three "matches." Conn Dec. Ex. B (Schultz Dep. 38:14-24); Ex. H (May to August  
8 2020 Refund Policy).

9 Despite further complaints, Tawkify refused to refund the remainder of the money.  
10 Stanfield Dec. Ex. I; Conn Dec. Ex. N (July 19, 2020 "ticket").

11 Plaintiff filed a putative class action against Tawkify in San Francisco County Superior  
12 Court on August 15, 2020. Dkt. 1-1. On August 26, 2020, Tawkify processed a refund the  
13 remainder of Plaintiff's purchase in two transactions (of \$1849.98 and \$0.01), which it notated in  
14 its internal records as "Nonstandard Alexis Rico – additional refund, legal." Dkt. 50-1, at 8; Conn  
15 Dec. Ex. D (Payment Records).

### 16 **III. STATUTORY BACKGROUND**

#### 17 **A. The Dating Services Contracts Act Provides For Unwaivable Rights in** 18 **Dating Service Contracts.**

19 The DSCA was enacted by the Legislature in 1989 in response to "many complaints from  
20 consumers who oftentimes are most vulnerable when they turn to such services and have no  
21 protection from unfair, deceptive and high-pressured sales practices." *See* Request for Judicial  
22 Notice ("RJN"), Ex. A (DSCA Legislative History for Assembly Bill 320 of 1989, p. 39, Policy  
23 Committee File). The Legislature recognized that "[t]hese particular services are very expensive,  
24 often costing over \$1,000 for membership." *Id.*

25 The statute established heightened consumer protections for dating service contracts.  
26 Similar protections were already in place under laws that provided for three-day rights of  
27 rescission for, *inter alia*, door-to-door sales over \$25 (Cal. Civ. C. § 1689.5, *et seq.*), health spas  
28 and studios (Cal. Civ. C. § 1812.80, *et seq.*), camp sites (Cal. Civ. C. § 1812.300), home

1 improvements where contract is signed in home (Cal. Civ. C. § 1689.5, *et seq.*), and home equity  
 2 loans (Cal. Civ. C. § 1695, *et seq.*). As with these laws, the DSCA was intended to “safeguard the  
 3 public against fraud, deceit, imposition, and financial hardship,” and to “help to encourage and  
 4 foster competition and fair dealing in [this] particular [area] of service by restricting false and  
 5 misleading advertising, onerous contract terms, and other unfair and deceptive practices.” *Id.*

6 The DSCA requires that all dating service contracts contain certain disclosures and  
 7 substantive rights. The statute mirrors other California consumer protection statutes and requires  
 8 that contracts contain a cancellation *disclosure* and a cancellation *right*. *Cf.* Cal. Civ. C.  
 9 § 1694.2(b) (disclosure must be provided “in a clear and conspicuous manner in a stand-alone  
 10 first paragraph of the contract...”), *and* Cal. Civ. C. § 1694.1(e) (“Notice of cancellation ...is  
 11 effective if it indicates the intention of the buyer not to be bound by the dating service contract.”).  
 12 The DSCA also prescribes that refunds must be provided “within 10 days of receipt of the notice  
 13 of cancellation.” Cal. Civ. C. § 1694.1(e).<sup>2</sup>

14 The Legislature also prescribed express remedies for violations of the disclosure  
 15 requirements. First, any non-compliant contract is “void and unenforceable.” Cal. Civ. C.  
 16 § 1694.4(a). Second, the DSCA extends the consumer’s right of cancellation indefinitely. Cal.  
 17 Civ. C. § 1694.2(e) (“If a dating service contract is not in compliance with this chapter, the buyer  
 18 may, at any time, cancel the contract.”). These rights and remedies are unwaivable. Cal. Civ. C.  
 19 § 1694.4(e).

## 20 **B. Relevant Legislative History of the DSCA.**

21 The original language of the DSCA as enacted in 1989 left a loophole in the statute that  
 22 allowed unscrupulous dating service providers to “frontload” the cost of dating services and take  
 23 significant deductions from cancellation refunds. The 1989 version of the DSCA provided in  
 24 relevant part that “[a]ll moneys paid pursuant to any contract for dating services shall be refunded  
 25

26 \_\_\_\_\_  
 27 <sup>2</sup> In addition to the right of cancellation, the DSCA also requires that dating services contracts  
 28 contain language providing for rights that arise in the event of “death or disability” and  
 “relocation” that makes the service untenable. Cal. Civ. C. § 1694.3(a)(1), (b).

1 within 10 days of receipt of the notice of cancellation, *except that payment shall be made for any*  
 2 *services covered by the contract and received by the buyer prior to cancellation.*” RJN, Ex. A (p.  
 3 31, Chapter 138, Statutes of 1989) (emphasis added).

4 The statute was amended in 1993 to close this loophole. *See* RJN, Ex. B (DSCA  
 5 Legislative History for Assembly Bill 1323 of 1993, p. 293, Chapter 359, Statutes of 1993).  
 6 Then-Attorney General Daniel E. Lungren sponsored the bill and explained the purpose of the  
 7 proposed amendments:

8 Cooling off periods are utilized in many types of transactions to counter hard sell  
 9 and misleading solicitations which tend to take advantage of consumers. Our office  
 10 took no position in 1989 when the three day cooling off period regarding dating  
 11 services and weight reducing statute was established. Unfortunately, that  
 legislation has created a trap for the unwary, or even the wary, and the statute has  
 been misused by some companies.

12 In all standard cooling off statutes, consumers are given a period of time to cancel  
 13 a contract without liability. In the 1989 statute, the consumer faces liability for  
 cancellation. If the consumer must pay money to cancel, the purpose of a  
 cancellation period is negated.

14 In addition to providing consumer protection, those statutes have been properly  
 15 used by sellers as sales tools. The salesperson may tell the consumer: “You don't  
 16 have to worry about signing this contract. You have [for example] three business  
 days to think it over.” Many consumers are familiar with cooling off period statutes  
 in general and assume that they may cancel without liability.

17 Unlike the other cancellation statutes, the 1989 dating and weight reduction law  
 18 allows the seller to retain “payment made for services covered by the contract and  
 19 received by the buyer prior to the cancellation.” Some dating services claim that  
 20 2/3 of the charge for the entire contract is for the introductory questionnaire analysis  
 done at or even before the time the contract is signed. Surprised consumers find  
 that if they cancel, they only receive back only 1/3 of the hundreds or thousands of  
 dollars they paid and would received for the lost money no meaningful services -  
 no dates, no introductions.

21 Consumers relying on this statute have been led to be less cautious about signing  
 22 because the contract refers to a cooling off period and they have thus been  
 23 blindsided. Somewhere in the contract, there is a disclosure that there will be costs  
 24 and that there really isn't any meaningful opportunity to cancel. However, many  
 25 consumers do not notice this disclosure and rely on their general understanding that  
 a cooling statutes provides consumer protection. In addition, the purpose of the  
 present law was to provide meaningful protection and not a trap for consumers.

26 AB 1323 would provide the protection anticipated by the 1989 statute by deleting  
 27 the provision for payment of services prior to cancellation as exists in the other  
 28 cooling off statutes.

1 RJN, Ex. B (p. 359).

2 The 1993 amendment to the DSCA eliminated the practice of “frontloading” dating  
 3 contracts with bogus valuations. As described by the committee analysis, the amendments  
 4 “[require] any refund to a consumer who cancels the contract in accordance with the provisions of  
 5 the act to be 100% by not allowing deductions for services provided to the consumer prior to  
 6 cancellation.” RJN, Ex. B (p. 344). Notably, the Legislature also declined to establish a  
 7 “prorated” offset for contracts cancelled after three days. One opponent of the bill – Great  
 8 Expectations, which billed itself as “the largest single introduction service in the world” –  
 9 proposed an amendment that would have allowed a dating service company to “retain a pro rata  
 10 portion of the contract price for services rendered to the Buyer prior to cancellation.” RJN, Ex. B,  
 11 p. 340. Its suggestion was viewed with skepticism by the Department of Consumer Affairs, which  
 12 described its view of Great Expectations’ proposed amendment:

13 Currently, dating and weight loss service sellers can retain an amount to cover  
 14 services provided prior to cancellation. The example cited by the AG, however,  
 15 seems to show that unreasonable amounts are being withheld from the consumer.  
 16 One dating service (Great Expectations) objects to having to refund all of the money  
 17 and wants to retain a pro rata amount for services rendered prior to cancellation.  
 However, in our view allowing an unspecified pro rata portion to be retained would  
 not be an improvement over the current law, since the amount would not be limited  
 and would be subject to the discretion or whim of the seller.

18 RJN, Ex. B, p. 389.

19 The DSCA was amended again in 2017 to make clear that the statute applies to online  
 20 dating services. Dkt. 59-1, p. 18.<sup>3</sup>

21 //

22 //

23 //

24 //

25 //

26  
 27 <sup>3</sup> See [https://leginfo.legislature.ca.gov/faces/billVersionsCompareClient.xhtml?bill\\_id=](https://leginfo.legislature.ca.gov/faces/billVersionsCompareClient.xhtml?bill_id=201720180AB314&cversion=20170AB31499INT)  
 28 [201720180AB314&cversion=20170AB31499INT](https://leginfo.legislature.ca.gov/faces/billVersionsCompareClient.xhtml?bill_id=201720180AB314&cversion=20170AB31499INT) (last visited July 14, 2021).



1 **IV. ARGUMENT**

2 **A. Tawkify Violated the DSCA and its Interpretation of the DSCA is**  
 3 **Wrong.**

4 Tawkify's erroneous interpretation of the DSCA ignores the statute's plain language and  
 5 legislative history. Importantly, Tawkify does not dispute that its failure to include the required  
 6 disclosures under the DSCA afforded Plaintiff the right to cancel at any time. Mtn. 26:3-7; 28:17-  
 7 22. Nor can Tawkify dispute Plaintiff's entitlement to a refund within 10 days. Cal. Civ. C.  
 8 § 1694.1(e). Instead, Tawkify contends that the DSCA empowered it to retain a portion of the  
 9 money Plaintiff paid for "services rendered" because the actual language of the statute must be  
 10 disregarded as an "extraordinary remedy." *See* Dkt. 59 (Tawkify Mtn. to Dismiss at 6:11-14).  
 11 Tawkify's interpretation is contrary to the plain and express language of the statute, which  
 12 required Tawkify to provide Plaintiff with a full refund within 10 days of cancellation.

13 Tawkify's interpretation cannot sow uncertainty into the statute where there is none. The  
 14 DSCA vests buyers with an unambiguous right to "cancel" under certain circumstances. Cal. Civ.  
 15 C. §§ 1694.1, 1694.2. The statute is clear that "[i]f a dating service contract is not in compliance  
 16 with this chapter, the buyer may, at any time, cancel the contract." Cal. Civ. C. § 1694.2(e). The  
 17 law also provides that "[a]ll moneys paid pursuant to any contract for dating services shall be  
 18 refunded within 10 days of receipt of the notice of cancellation." Cal. Civ. C. § 1694.1(e)  
 19 (emphasis added). The DSCA defines "cancel" – for purposes of how the term must be disclosed  
 20 to consumers – as an act "without any penalty or obligation." Cal. Civ. C. § 1694.2(b)(1).

21 The plain language of the DSCA's cancellation provisions should end the inquiry about  
 22 the meaning of § 1694.1(e). "In determining intent, [the Court should] look first to the words of  
 23 the statute, giving the language its usual, ordinary meaning. If there is no ambiguity in the  
 24 language, [the Court may] presume the Legislature meant what it said, and the plain meaning of  
 25 the statute governs." *Hunt v. Superior Ct.*, 21 Cal. 4th 984, 1000 (1999) (citations omitted).  
 26 However, even if the Court were inclined to conduct further inquiry into the meaning of the  
 27 cancellation right, the statute's legislative history would compel the same conclusion. *Sand v.*  
 28 *Superior Ct.*, 34 Cal. 3d 567, 570 (1983) ("Where the language [of a statute] is susceptible of



1 more than one meaning, it is the duty of the courts to accept that intended by the framers of the  
 2 legislation, so far as its intention can be ascertained. . . The fundamental rule of statutory  
 3 construction is that the court should ascertain the intent of the Legislature so as to effectuate the  
 4 purpose of the law. . . To discern legislative intent, we must examine the legislative history and  
 5 statutory context of the act under scrutiny.” (internal citations and quotations omitted)).

6 Here, the legislative history of the DSCA establishes that cancellation requires a full  
 7 refund of all monies paid by a consumer within 10 days. In fact, the Legislature amended the  
 8 DSCA in 1993 in order to *eliminate* the practice of offering consumers partial refunds for  
 9 “frontloaded” services. RJN, Ex. B.

10 Plaintiff’s interpretation of the DSCA is also consistent with the way in which other  
 11 consumer protection statutes, with substantially similar language, have been interpreted. For  
 12 example, the body of published California appellate decisions arising under the Home  
 13 Solicitation Sales Act, Cal. Civ. C. § 1689.5, *et seq.* (“HSSA”), is instructive because it contains  
 14 language substantially identical to that set forth in the DSCA. *Cf.* Cal. Civ. C. § 1689.7(g)  
 15 (“Until the seller has complied with this section the buyer may cancel the home solicitation  
 16 contract or offer.”); Cal. Civ. C. § 1694.2(e) (“If a dating service contract is not in compliance  
 17 with this chapter, the buyer may, at any time, cancel the contract.”). Other provisions of the  
 18 HSSA and the DSCA also track. *See, e.g.,* Cal. Civ. C. § 1689.10(a) (“[W]ithin 10 days after a  
 19 home solicitation contract or offer has been canceled, the seller must tender to the buyer any  
 20 payments made by the buyer and any note or other evidence of indebtedness.”); and Cal. Civ. C.  
 21 § 1694.1 (“All moneys paid pursuant to any contract for dating services shall be refunded within  
 22 10 days of receipt of the notice of cancellation.”).<sup>4</sup> Courts have consistently found that  
 23

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24 <sup>4</sup> The HSSA contains additional language that makes clear the consumer protection purposes of  
 25 these statutes: “If the seller has performed any services pursuant to a home solicitation contract  
 26 or offer prior to its cancellation, the seller is entitled to no compensation. If the seller’s services  
 27 result in the alteration of property of the buyer, the seller shall restore the property to  
 28 substantially as good condition as it was at the time the services were rendered.” Cal. Civ. C.  
 § 1689.11(c). In *Beley v. Mun. Ct.*, 100 Cal. App. 3d 5 (1979), the Court of Appeal explained  
 how fulsome this protection was intended to be:

1 consumers retain a continuing right to cancel and receive a refund of all amounts paid when the  
 2 underlying contracts that do not comply with the HSSA. *See Nordeman v. Dish Network LLC*,  
 3 No. 21-CV-00923-TSH, 2021 WL 949418, at \*4 (N.D. Cal. Mar. 12, 2021) (“The HSSA allows  
 4 a buyer in such a transaction to cancel it within three business days after signing the contract.  
 5 Further, ‘[u]ntil the seller has complied with this section the buyer may cancel the home  
 6 solicitation contract or offer.’ A violation of the statute precludes any obligation of the buyer to  
 7 pay for services from the seller prior to cancellation.” (citations omitted)); *Johnson v. Advanced*  
 8 *Air Sols. Inc.*, No. 19-CV-00613-LHK, 2020 WL 2084898, at \*7 (N.D. Cal. Apr. 30, 2020)  
 9 (entering default judgment under HSSA); *Louis Luskin & Sons, Inc. v. Samovitz*, 166 Cal. App.  
 10 3d 533, 535 (1985) (affirming judgment entered in favor of buyer arising out of contract that did  
 11 not contain the cancellation notice required in home solicitation contracts under Civil Code  
 12 sections 1689.7 and 1689.8); *Weatherall Aluminum Prod. Co. v. Scott*, 71 Cal. App. 3d 245, 247  
 13 (1977) (“If the contract was a home solicitation contract within the meaning of Civil Code  
 14 section 1689.5, then, the notification required by section 1689.7, subdivisions (a) and (c) not  
 15 having been given, defendants retained a right to cancel.”); *see also In re Lloyd*, 369 B.R. 549,  
 16 551–52 (Bankr. N.D. Cal. 2007), *aff’d sub nom. Hoffman v. Lloyd*, No. C 06-2416 MHP, 2008  
 17 WL 298820 (N.D. Cal. Feb. 1, 2008), *aff’d*, 572 F.3d 999 (9th Cir. 2009) (finding under the  
 18 Home Equity Sales Contracts Act that “[b]ecause the sale contract failed to provide notice of the  
 19 right to cancel ‘in immediate proximity to the space reserved for the equity seller’s signature,’  
 20  
 21

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22 An unfair sales practice unique to home improvement sales ‘spiking the job’ will be  
 23 prevented by this provision of the act. In this sales tactic, the salesman who has sold  
 24 siding, for example, will immediately tear off portions of the old siding replacing it  
 25 with a few sections of new siding before returning to complete the job. If in the  
 26 interim the buyer realizes he has been duped, he normally will feel compelled to go  
 27 along with the transaction since otherwise he would have to find someone else to  
 28 repair his home. Section 1689.11(c) of the Civil Code, besides providing for no  
 compensation in such a case, requires the seller to restore the property to  
 substantially as good a condition as it was at the time the services were rendered.

*Id.* at 9 (internal quotation marks and citation omitted).

1 the contract did not substantially comply with the requirements of section 1695.5 and, as a  
2 consequence, the time to cancel the sale never expired.”).

3 Tawkify invokes § 1694.4(d) of the DSCA for the proposition that partial refunds are  
4 authorized under the statute. *See* Mtn. 27:20-22. But Tawkify’s position is contrary to the plain  
5 language of the statute, its purpose, legislative history, and common sense. As a practical matter,  
6 § 1694.4(d) expressly applies only for installment contracts and circumstances under which “the  
7 buyer is relieved from making further payments or entitled to a refund” (*i.e.* death, disability, or  
8 relocation). Tawkify’s reliance on *Howell v. Grindr, LLC*, No. 15CV1337-GPC(NLS), 2016 WL  
9 1668243, at \*3 (S.D. Cal. Apr. 27, 2016) (“*Howell I*”) is also unavailing. In *Howell II*, the Court  
10 denied a motion to dismiss under Fed. R. Civ. Proc. 12(b)(6) based on a claim that Plaintiff had  
11 failed to plead statutory standing under the DSCA. The plaintiff in *Howell II* – unlike Plaintiff  
12 Stanfield – “requested that Defendant refund the unused portion of Plaintiff’s contract.” *Id.* at \*2.  
13 The court stated in dicta that § 1694.4(d) required that a prorated portion of the contract be  
14 refunded, but neither held this as a matter of law nor offered any explanation. This makes sense  
15 because § 1694.4(d) does not apply to “cancellations.”

16 In addition to the cancellation rights under § 1694.2, the DSCA also creates a right to  
17 “elect to be relieved of the obligation to make payments for services” where cancellation is  
18 caused by death, disability, and relocation. Cal. Civ. C. § 1694.3. As an initial matter, the  
19 Legislature’s choice of language must be considered intentional. Because the Legislature used the  
20 term “cancellation” in § 1694.2 and “elect to be relieved” in § 1694.3, there is a presumption that  
21 each term has a distinct meaning. “Where different words or phrases are used in the same  
22 connection in different parts of a statute, it is presumed the Legislature intended a different  
23 meaning.” *Briggs v. Eden Council for Hope & Opportunity*, 19 Cal. 4th 1106, 1117 (1999).  
24 Consistent with this canon of statutory construction, a buyer’s right of “cancellation” differs from  
25 being “relieved” in the event of “death or disability,” “relocation” that makes the service  
26 impracticable (§§ 1694.3(a), (c)) and for installment contracts. Cal. Civ. C. § 1694.4(d).

1 The unpublished cases cited by Tawkify do not compel a different interpretation. In  
 2 *Adelman v. Spark Networks Ltd.*, No. B195332, 2008 WL 2108667 (Cal. Ct. App. May 20, 2008),  
 3 the Court did not address the issue as to whether a dating service can deduct amounts from a  
 4 refund upon cancellation. The Plaintiff in *Adelman* merely asserted “that the membership  
 5 contracts were void and unenforceable and that he therefore was entitled to either a full refund or  
 6 a refund of the price paid minus the reasonable value of the services received.” *Id.* at \*2. In light  
 7 of Plaintiff’s facts, the plain language of the statute, the DSCA’s legislative history, and  
 8 analogous authority, the DSCA requires full refunds upon cancellation.

9 The irony of Tawkify’s reliance upon the DSCA should not escape the Court’s notice.  
 10 Having ignored its obligations under the law, Tawkify attempts to distort the law’s purpose in an  
 11 effort to turn the DSCA from a consumer shield into a corporate sword. Tawkify’s dating service  
 12 contract with Plaintiff does not comply with the DSCA. Plaintiff cancelled his contract, as was his  
 13 right. Tawkify failed to refund Plaintiff all his money within 10 days. Tawkify has thus violated  
 14 the DSCA. There is no other conclusion to draw.

15 **B. Plaintiff Has Constitutional Standing to Pursue His Claims.**

16 The evidence supporting the facts set forth above establish Tawkify’s liability and  
 17 Plaintiff’s standing. Tawkify concedes that it “is a San Francisco-based company that operates an  
 18 online matchmaking service.” Mtn. at 10:9. Tawkify is an online dating service, and it does not  
 19 dispute that the DSCA applies to its contracts with Plaintiff. *See* Mtn. at 9:6-8; 23:18-22; 27:20-  
 20 24. The DSCA explicitly applies to “online dating service[s],” which is defined as, “any person or  
 21 organization engaged in the business of offering dating, matrimonial, or social referral services  
 22 online, where the services are offered primarily online, such as by means of an Internet Web site  
 23 or a mobile application.” Cal. Civ. C. § 1694(b). The agreements between Plaintiff and Tawkify  
 24 are “dating service contracts” because they are contracts with an “organization that offers dating,  
 25 matrimonial, or social referral services.” Cal. Civ. C. § 1694(a). Therefore, the DSCA governs  
 26 Plaintiff’s agreements with Tawkify. *Id.*

1 It is also undisputed that the agreements between Plaintiff and Tawkify do not contain any  
 2 of the mandatory disclosures or rights required by the DSCA, including those contained in  
 3 § 1694.2 or 1694.3. *See* Part II.A, *supra*. As a result, Plaintiff retained the right to cancel at any  
 4 time and receive a refund of all monies paid within 10 days of cancellation. Cal. Civ. C.  
 5 §§ 1694.1(e), 1694.2(e). Tawkify did not do so. *See* Part II.B, *supra*.

6 Tawkify’ failure to provide a full and timely refund to Plaintiff upon his cancellation  
 7 deprived Plaintiff of \$1,850 to which he was entitled, as well as the use of that money while  
 8 Tawkify retained it. The DSCA also provides for treble actual damages, plus reasonable attorney  
 9 fees. Cal. Civ. C. § 1694.4(c). This identifiable loss of money confers Article III standing.

10 Tawkify’s steadfast refusal to refund all of Plaintiff’s money – pursuant to its “Refund  
 11 Policy”<sup>5</sup> – comprises part of Plaintiff’s concrete and particularized loss. Additionally, Tawkify’s  
 12 failure to timely process Plaintiff’s refund also created a monetary injury sufficient for Article III  
 13 standing. Tawkify was aware of Plaintiff’s intent to cancel by at least July 14, 2020. *See* Stanfield  
 14 Dec. Ex. F. Tawkify failed to provide the refund within 10 days of that date. Plaintiff’s loss of the  
 15 time value of the wrongfully withheld moneys from July 24, 2020 beyond is a concrete injury that  
 16 is traceable to Tawkify’s failure to provide a timely refund. This provides an additional basis for  
 17 Article III standing. *See Van v. LLR, Inc.*, 962 F.3d 1160, 1163 (9th Cir. 2020) (holding that the  
 18 “temporary deprivation of money gives rise to an injury in fact for purposes of Article III  
 19 standing” because “[e]very day that a sum of money is wrongfully withheld, its rightful owner  
 20 loses the time value of the money”); *see also id.* at 1165 (holding that an injury from loss of use  
 21 of money “is actual, concrete, and particularized”).

22  
 23 <sup>5</sup> Even if Tawkify’s “pro rata offset” interpretation based on “services . . . actually received,” Cal.  
 24 Civ. C. § 1694.4(d), served as the basis for the calculation, Tawkify’s corporate witness testified  
 25 that Tawkify’s misapplication of its Refund Policy resulted in a refund that did not match the  
 26 amount of money he was owed. As Mr. Schultz testified, Tawkify’s July 2020 was in effect at the  
 27 time Plaintiff’s refund was requested. Conn Dec. Ex. B (Schultz Dep. 37:20-21, 179:13-24).  
 28 Thus, even viewing the DSCA in the light most favorable to Tawkify, the “offset” would have  
 been limited, at most, to the pro rata value of the *two* matches Plaintiff received – which was  
 \$1,233.33. Following Tawkify’s reasoning, Plaintiff should have been refunded \$2,466.67. But  
 Tawkify only refunded him \$1,850.00, depriving him of \$616.67. (\$2,466.67 – \$1,850 =  
 \$616.67).

Tawkify’s efforts to avoid liability by offering a full refund *after* Plaintiff filed a lawsuit is dubious gamesmanship designed to subvert the purpose of a statute it is flouting.<sup>6</sup> Regardless, the size of Plaintiff’s loss is not relevant to standing because courts consistently find that “loss of even a small loss of money” is a sufficiently “concrete and particularized” injury. *Spokeo, Inc. v. Robins*, 136 S. Ct. 1540, 1545 (2016); *Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973, 983 (2017) (“For standing purposes, a loss of even a small amount of money is ordinarily an ‘injury.’”) (compiling cases); *see also E. Bay Sanctuary Covenant v. Trump*, 932 F.3d 742, 766 (9th Cir. 2018) (ruling that a loss of funding satisfies “the ‘injury in fact’ standing requirement”).

Furthermore, Tawkify’s post-filing processing of the remainder of the amount paid does not impact standing because standing analysis looks at whether the plaintiff “had Article III standing at the outset of the litigation.” *Friends of the Earth, Inc. v. Laidlaw Env’tl. Servs. (TOC), Inc.*, 528 U.S. 167, 180, 189 (2000). Plaintiff filed this lawsuit on August 15, 2020. *See* Dkt. 1-1. As of August 15, 2020, Tawkify had not “refunded him all moneys he paid Tawkify.” Mtn. at 21:23-24.

### C. Plaintiff Has Statutory Standing to Pursue His Claims.

These same monetary injuries satisfy the statutory standing requirements under the UCL and the CLRA. Section 17204 of the UCL requires a private plaintiff to have “suffered injury in fact and [have] lost money or property as a result of the unfair competition.” Consistent with the law enforcement and deterrent purposes of the UCL, the California Supreme Court has set a low threshold for UCL standing. *See Kwikset Corp. v. Superior Court*, 51 Cal. 4th 310, 323-25 (2011)

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<sup>6</sup> None of the facts Tawkify contends are dispositive of Plaintiff’s standing were adduced during discovery, and were thus known to Tawkify when it removed the case last October. Thus, Tawkify’s argument about Article III standing is at odds with its claim that Plaintiff has not suffered any constitutionally cognizable injury. Courts have rejected these “dubious” delay tactics. *See Mocek v. Allsaints USA Ltd.*, 220 F. Supp. 3d 910, 914 (N.D. Ill. 2016) (“[D]efendant’s professed strategy of removing the case on the basis of federal jurisdiction, only to turn around and seek dismissal with prejudice—a remedy not supported by any of defendant’s cases—on the ground that federal jurisdiction was lacking, unnecessarily prolonged the proceedings.”); *Ayala v. Sixt Rent a Car, LLC*, No. CV191514FMOMRWX, 2019 WL 2914063, at \*2 (C.D. Cal. July 8, 2019); *Collier v. SP Plus Corp.*, 889 F.3d 894, 897 (7th Cir. 2018) ([D]efendant’s “dubious strategy has resulted in a significant waste of federal judicial resources, much of which was avoidable.”).

1 (establishing that standing is achieved by “economic injury . . . *caused by* the unfair business  
2 practice”).

3 Plaintiff was deprived of either money or property because of Tawkify’s failure to provide  
4 an adequate and timely refund, which deprived him of the time value of the money. This alone  
5 satisfies UCL standing. *Id.* at 323 (“economic injury from unfair competition may be shown” if  
6 the plaintiff has been “deprived of money or property to which he or she has a cognizable  
7 claim”). Plaintiff was also forced to file a lawsuit to obtain a full refund, and incurred attorneys’  
8 fees as a result, which are recoverable under the DSCA along with three times his actual  
9 damages. Cal. Civ. C. § 1694.4(c).

10 Plaintiff’s loss of money is directly traceable to Tawkify’s violations of §§ 1694.1(e) and  
11 1694.2(e), that is, its failure to refund “[a]ll moneys paid” upon cancellation of a noncompliant  
12 DSCA contract. Plaintiff has also satisfied the UCL’s requirement that there be “causal  
13 connection or reliance,” 51 Cal. 4th at 326, because he attributes his injury to Tawkify’s conduct.

14 Plaintiff has also alleged standing under the CLRA. The CLRA requires that a plaintiff  
15 suffer some “damage.” Cal. Civ. C. § 1780. Unlike the UCL, that damage need not even be  
16 compensable. *Id.* “Because the ‘any damage’ standard includes even minor pecuniary damage,  
17 ...any plaintiff who has standing under the UCL’s...‘lost money or property’ requirement will, *a*  
18 *fortiori*, have suffered ‘any damage’ for purposes of establishing CLRA standing.” *Hinojos v.*  
19 *Kohl’s Corp.*, 718 F.3d 1098, 1108 (9th Cir. 2013). Here, because Plaintiff has lost money or  
20 property for UCL standing purposes, he has likewise suffered “damage” that satisfies the CLRA’s  
21 standing requirement.

22 Regardless, Tawkify has not provided Plaintiff with complete relief. “It has not agreed to  
23 the injunctive relief [Plaintiff] requests, paid his attorneys’ fees, or reimbursed his litigation  
24 related costs. [ ] Accordingly, defendant has not afforded plaintiff ‘complete relief.’” *Luman v.*  
25 *NAC Mktg. Co., LLC*, No. 2:13-CV-00656-KJM-AC, 2017 WL 3394117, at \*3 (E.D. Cal. Aug. 8,  
26 2017) (quoting *Chen v. Allstate Ins. Co.*, 819 F.3d 1136, 1146 (9th Cir. 2016)). Nor has Tawkify  
27  
28



1 compensated Plaintiff to the time value loss of the money that it held or paid the treble damages  
2 authorized by the statute. *See* Cal. Civ. C. § 1694.4(c).

3 **D. Plaintiff Has Standing To Pursue His Injunctive Relief Claim.**

4 Tawkify contends that Plaintiff's claims for injunctive relief must be dismissed with  
5 prejudice because he testified that he does not have current plans to use Tawkify's services in the  
6 future. Mtn. at 25. But as with Tawkify's broader contention regarding Plaintiff's Article III  
7 standing, Tawkify misstates the law and is not entitled to the relief it seeks.

8 In the Ninth Circuit, "a previously deceived consumer may have standing to seek an  
9 injunction against false advertising or labeling, even though the consumer now knows or suspects  
10 that the advertising was false at the time of the original purchase, because the consumer may  
11 suffer an 'actual and imminent, not conjectural or hypothetical' threat of future harm." *Davidson*  
12 *v. Kimberly-Clark Corp.*, 889 F.3d 956, 969 (9th Cir. 2018) (citing *Summers v. Earth Island*  
13 *Institute*, 555 U.S. 488, 493 (2009)). Tawkify cites two cases, both decided prior to *Davidson*, for  
14 the proposition that Plaintiff must have an "intent to purchase" the products in the future in order  
15 to maintain his claims for public injunctive relief under the UCL and the CLRA. Mtn. at 24-25.  
16 But this is not the relevant inquiry. *Davidson* holds that a plaintiff who had previously been  
17 deceived by false advertising, could nevertheless have Article III standing under California's  
18 False Advertising Law, Cal. Bus. & Prof. C. § 17500, *et seq.*, if she could show that she was  
19 "unable to rely on Kimberly-Clark's representations of its product in deciding whether or not she  
20 should purchase the product in the future." *Davidson*, 889 F.3d at 972. Plaintiff's testimony about  
21 the likelihood of using Tawkify in the future addresses the pre-*Davidson* concern of the plaintiff's  
22 "intent-to-purchase" rather than the reliability of a defendant's representations in the event an  
23 injunction is not obtained. Tawkify has failed to make this showing.

24 In *Davidson*, the Ninth Circuit also recognized that the formalistic standing requirements  
25 advanced by Tawkify may not be used by defendants as a tool to evade justice:

26 [A]llowing a defendant to undermine California's consumer protection statutes and  
27 defeat injunctive relief simply by removing a case from state court is an  
28 unnecessary affront to federal and state comity [and ] ... an unwarranted federal



intrusion into California’s interests and laws.” 77 F.Supp.3d at 961; *see also Henderson v. Gruma Corp.*, 2011 WL 1362188, at \*8 (C.D. Cal. Apr. 11, 2011) (“[T]o prevent [plaintiffs] from bringing suit on behalf of a class in federal court would surely thwart the objective of California’s consumer protection laws.”). This is because “the primary form of relief available under the UCL to protect consumers from unfair business practices is an injunction,” *In re Tobacco II*, 46 Cal.4th 298, 93 Cal.Rptr.3d 559, 207 P.3d 20, 34 (2009)—a principle the California Supreme Court recently reaffirmed. *See McGill v. Citibank, N.A.*, 216 Cal.Rptr.3d 627, 393 P.3d 85, 90, 93 (2017) (explaining that “public injunctive relief under the UCL, the CLRA, and the false advertising law is relief that has the primary purpose and effect of prohibiting unlawful acts that threaten future injury to the general public,” and that “public injunctive relief remains a remedy to private plaintiffs” under the UCL, FAL, and CLRA (internal quotation marks omitted) ).

*Davidson*, 889 F.3d at 970.

Thus, as with the relief Tawkify seeks with respect to Article III standing, Tawkify seeks an improper remedy for Plaintiff’s injunctive relief “claim.” As Judge Berzon points out in her concurrence in *Davidson*, the standing requirement for a form of *relief* contained within a claim is “an artifact of the discredited practice of conflating the prerequisites for injunctive relief with the Article III prerequisites for entry into federal court.” *Id.* at 972 (Berzon, J., concurring). She further explains that the proper result is splitting the claim and partially remanding the injunctive relief portion of the claim back to state court. *Id.* at 974, n.2 (explaining that “remand is required if the district court lacks jurisdiction over a removed case [under] 28 U.S.C. § 1447(c)”) (citing *Polo*, 833 F.3d at 1196).

Thus, if the Court finds that Plaintiff lacks standing to pursue public injunctive relief under the UCL and CLRA, that portion of Plaintiff’s UCL and CLRA claims for relief – and only that portion – should be remanded back to the San Francisco Superior Court for adjudication.

**E. There Is No Equitable Basis for the Court to Refuse to Enforce the DSCA.**

The case law and legislative history of the DSCA require that this Court reject Tawkify’s argument that Plaintiff’s interpretation of the DSCA would be “unfair” or result in a windfall to the customer. Mtn. at 19, 22. Defendant’s “equitable defense” must be rejected as a matter of law and policy. First, such defenses should be discounted in light of Tawkify’s willful and patent failure to comply with the principal law governing its industry in California. Tawkify is a

1 California company that forces even non-residents to apply California law through an adhesive  
 2 choice of law clause in its Terms of Use. Conn Dec. Ex. I (Terms of Use). The DSCA has been  
 3 on the books for five decades. In short, the equities clearly weigh *against* Tawkify.

4 Second, the purpose of the DSCA is to protect consumers – and the remedies it provides  
 5 were enacted to motivate companies not to ignore the law. As the California Court of Appeal  
 6 explained when interpreting the analogous remedy provisions of the HSSA:

7 If this result appears to deal harshly with merchants who have fully performed  
 8 under their contracts, it seems clear to this court that the message which the  
 9 Legislature has attempted to convey by enactment of sections 1689.5 et seq. of the  
 10 Civil Code is ‘Caveat Vendor.’ Merchants, put on notice by the statute, can easily  
 and inexpensively protect themselves, however, by including a right to cancel  
 provision and an accompanying notice of cancellation as a matter of course in all  
 contracts signed outside their trade premises.

11 *Weatherall Aluminum Prod. Co.*, 71 Cal. App. 3d at 249.

12 Tawkify is no different than the defendant in *Weatherall*. The DSCA’s requirements and  
 13 consequences for noncompliance are clear. Tawkify could “easily and inexpensively protect  
 14 [itself], however, by including a right to cancel provision . . . as a matter of course in all  
 15 contracts.” *Id.* Despite being on notice of the statute since the company was founded, Tawkify has  
 16 chosen to violate its provisions.

17 The *Beley* decision cited by Tawkify (Mtn. 29:2-15) does not provide Tawkify with carte  
 18 blanche ability to ignore the DSCA. As Tawkify acknowledges, *Beley*, a case involving the  
 19 HHSA, found that the HHSA (just like the DSCA) “technically extended indefinitely (until the  
 20 Seller complied with the notice requirement) the Buyer’s right to cancel.” 100 Cal. App. 3d 5 at 8.

21 However, Tawkify’s attempt to find any similarities between *Beley* and this case is a  
 22 failure. *Beley* is limited to the unique facts of that case. There, “the parties entered into a contract  
 23 for extensive remodeling of the buyer’s home over a three-month period. The contract was  
 24 substantially completed before the buyers exercised their right to cancel.” *Louis Luskin & Sons,*  
 25 *Inc. v. Samovitz*, 166 Cal. App. 3d 533, 538 (discussing *Beley*). Based on these facts, the *Beley*  
 26 court found that the “large building contract [] was substantially completed over a long period of  
 27 time before Buyer exercised Buyer’s technical right under the statute to cancel” and that “[i]t  
 28

1 would be grossly inequitable to interpret the statute to mean that Seller gets no compensation  
 2 even though Buyer has the benefit of several thousand dollars' worth of home improvements."  
 3 *Beley*, 100 Cal. App. 3d at 9-10. As a result, the *Beley* court held that the "[s]eller [wa]s entitled  
 4 to recovery on quantum meruit for the reasonable value of the improvements Buyer has  
 5 received." *Id.* at 8.

6 Six years later, however, the Court of Appeal explained that "*Beley* did not hold that as a  
 7 general rule the seller can recover on quantum meruit even if he has proceeded in violation of the  
 8 [HHSa]. To the contrary, the court in *Beley* recognized such a rule would defeat the purposes of  
 9 the statute, especially § 1689.11. The court merely found section 1689.11 was not intended to  
 10 apply to the unusual facts of the case before it." *Louis Luskin & Sons, Inc.*, 166 Cal. App. 3d at  
 11 537-38 (citations and footnotes omitted).

12 In addition to being factually inapposite, *Beley*'s holding on *quantum meruit* is contrary  
 13 to the general principle of law that distinguishes statutory contract requirements from common  
 14 law contract principles. *See* 14 Cal. Jur. 3d Contracts § 170 (2021) ("A statute prohibiting the  
 15 making of a particular kind of a contract, except in a certain manner, renders such contract void  
 16 if made in any other way. . . A contract made otherwise than as so prescribed [by law] is not  
 17 binding or obligatory as a contract, and the doctrine that there is an implied liability arising from  
 18 the receipt of benefits has no application.").

19 More recent case law has applied this principle to reject *quantum meruit* recovery for  
 20 contracts that violate statutory formation requirements. For example, in *Castillo v. Barrera*, 146  
 21 Cal. App. 4th 1317, 1328 (2007), the court refused to allow *quantum meruit* recovery on an oral  
 22 contract made without the statutorily required license and written contract. The court held, "[a]s  
 23 in other areas requiring written agreements or licensure, a party may not recover in quantum  
 24 meruit for that which cannot be recovered on a contract." *Id.* And in 2011, the California  
 25 Supreme Court quoted the proposition that "no implied liability to pay upon a *quantum*  
 26 *meruit* could exist where the prohibition of the statute against contracting in any other manner  
 27 than as prescribed is disregarded." *Retired Emps. Assn. of Orange Cty., Inc. v. Cty. of Orange*,  
 28

52 Cal. 4th 1171, 1187 (2011) (quoting *Reams v. Cooley*, 171 Cal. 150, 153 (1915)); *see also* Cal. Bus. & Prof. C. § 7031(a) (unlicensed contractors performing work in California cannot maintain an action for compensation).

This same principle applies to contracts governed by the DSCA. For example, in *Hadida v. King*, No. 2:11-CV-8648-SVW-VBK, 2012 WL 13012701, \*4 (C.D. Cal. Feb. 2, 2012), the Court held that a dating service could not obtain “recovery under a theory of *quantum meruit* where the contract at issue is void under California law.” The Legislature has determined that contracts that violate the DSCA are “void and unenforceable” and that buyers may cancel the contract “at any time,” and receive a refund of all moneys paid within 10 days. Cal. Civ. C. §§ 1694.1(e), 1694.2(e), 1694.4(a). Allowing *quantum meruit* recovery, despite clear DSCA violations, would thwart the intent of the statute and render its protections meaningless.

**F. Defendant’s Evidence is Objectionable and Disputed.**

Tawkify’s 14-page “Statement of Material Facts” consists largely of disputed, unsupported, and/or inadmissible *immaterial* facts that ultimately have no bearing the underlying motion.<sup>7</sup> Additionally, Tawkify’s bald assertion that “[t]he [August 1, 2020] refund represents a prorated services not yet rendered” is without support and contradicted by admissible evidence. Mtn. 20:15-17. It is undisputed that Plaintiff paid for six dates (Mtn. 11:23-24) but only went on two dates (*see* Mtn. 15:22) by the time that Tawkify processed his cancellation. As Plaintiff had received the benefit of only two out of six matches, and still had at least four remaining, the prorated amount of the services not yet received would be \$2,466.67 (\$3,700 / 6 x 4).<sup>8</sup> This amount does not include the “credits” that Plaintiff understood he received after the first two

<sup>7</sup> For example, Tawkify provides the Court with a transcript from a June 26, 2020 secretly recorded confidential call that was recorded without Plaintiff’s consent. This evidence is inadmissible. *See* Cal. Pen. C. § 632(e). Tawkify also misconstrues Plaintiff’s deposition testimony. Contrary to Tawkify’s assertion that Plaintiff “cannot articulate having suffered any actual damages” (Mtn. 21:22-22:10), when asked at deposition to quantify his damages (a legal question), Plaintiff responded four times, “I leave that up to my attorney to figure out.” Conn Dec. Ex. A (Stanfield Dep., 248:3-15, 248:16-249:2, 249:3-11, 250:17-22).

<sup>8</sup> Retaining payment for “any match cycles use, plus one” is consistent with Tawkify’s operative refund policy and represents less than a “prorated” refund. Conn Dec. Ex. B (Schultz Dep., 179:11-24).

1 disastrous dates. Conn Dec. Ex. A (Stanfield Dep. 140:2-142:3, 230:8-15, 236:15-25). If this  
2 credit is accounted for, then at the time that the cancellation was processed, Plaintiff still had not  
3 received the benefit of five matches, and the prorated amount of the services not yet received  
4 would be \$3,083.33 ( $\$3,700 / 6 \times 4$ ). Either way, Tawkify's "factual" assertion is unsupported  
5 and in dispute.

6 **V. CONCLUSION**

7 For all the foregoing reasons, Tawkify's Motion should be denied.

8 Dated: July 14, 2021

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